THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Reserve Bank of India has advised in December 2004 that all the branches of commercial banks may receive donations and nominate a nodal branch in New Delhi for the purpose of collection of contribution to the Prime Minister's National Relief Fund.

Fresh study on black money

2313. SHRI PRASANTA CHATTERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have agreed to undertake a fresh study by National Institute of Public Finance and Policy to assess quantum of black money in the country; and

(b) if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The Government has not requested the National Institute of Public Finance and Policy (NIPFP) to undertake a fresh study for assessing the quantum of black money in the country.

(b) Most of the transactions generating black money are unrecorded, making the credibility of any estimate doubtful. In such estimates, reliance is on indirect methods and circumstantial evidence. Even the authors of the Report of NIPFP (1985) has admitted that their estimate was based on numerous assumptions and approximations, each of which could be challenged. Therefore, no fresh study has been conducted.

Linking of pension reforms with financial reforms

2314. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government are likely to pursue the Pension Fund Regulatory and Development Authority Bill, 2005 in its present form;

(b) whether Government propose to link pension reforms with financial reforms in order to reduce the pensionary liability of Government and shift it to the private market; and

(c) whether a document from the World Bank released during 1984 'Averting the old age crisis' has been referred to by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Official amendments to the Pension

Fund Regulatory and Development Authority (PFRDA) Bill, 2005, based on the recommendations of the Standing Committee on Finance which examined the Bill, are under the government's consideration.

(b) The objective of pension reforms in India is to provide a well-regulated, modern, sustainable pension system, which offers portability, flexibility and choice to subscribers. The nature of the institutional architecture will depend on the PFRDA Bill, 2005.

(c) The pension reform process initiated in India is the outcome of the deliberations and recommendations of several expert committees and groups, including Project OASIS (Old Age Social and Income Security) of the Ministry of Social Justice and Empowerment, a Ministry of Finance Working Group and a high level expert group headed by Shri B. K. Bhattacharya, former Chief Secretary, Government of Karnataka.

Insurance cover to Rural Areas

† 2315. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that insurance companies of private sector are not paying any special attention towards rural areas though four to five years have passed since their business started;

(b) whether Government are considering to take any steps to provide insurance facilities to most of the population of rural areas; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIPAWAN KUMARBANSAL):(a) to(c) Insurance companies whether in public or private sector are required to comply with obligations towards the rural and social sectors laid down by the Insurance Regulatory and Development Authority (IRDA) (Obligation of the insurers towards the rural or social sectors) Regulations, 2002. The IRDA monitors the performance of the companies against the stipulated obligations under these Regulations. The IRDA has informed that all the insurers have complied with the requirements to provide cover for the rural population. The IRDA has also notified Regulations on micro insurance under which insurance companies can offer combinations of long term life products with short term non-life products to the weaker sections of the society in rural areas.

† Original notice of the question was received in Hindi.